

COUNTY OF LOS ANGELES

MARVIN J. SOUTHARD, D.S.W.

Director

ROBIN KAY, Ph.D.

Acting Chief Deputy Director

RODERICK SHANER, M.D.

Medical Director



BOARD OF SUPERVISORS

GLORIA MOLINA

YVONNE B. BURKE

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MICHAEL D. ANTONOVICH

DEPARTMENT OF MENTAL HEALTH

<http://dmh.lacounty.gov>

550 SOUTH VERMONT AVENUE, LOS ANGELES, CALIFORNIA 90020

Reply To: 213-738-4601

Fax: 213-386-1297

October 7, 2008

TO: Each Supervisor

FROM: Marvin J. Southard, D.S.W.
Director of Mental Health

SUBJECT: **NOTIFICATION OF THE USE OF DELEGATED AUTHORITY TO EXECUTE AN AMENDMENT TO ASSIGN THE CONTRACT BETWEEN THE DEPARTMENT OF MENTAL HEALTH (DMH) AND CONTRACTOR COMMUNITY CARE CENTER, INC., TO BROADWATER COMMUNITY CARE CENTER, LLC**

This is to advise your office that DMH exercised its delegated authority to implement mergers and acquisitions through an amendment in compliance with your Board action of July 29, 2008 (see attached Board letter). On October 1, 2008, DMH executed an Amendment with Community Care Center, Inc., to allow Broadwater Community Care Center, LLC, to assume the rights and responsibilities to Community Care Center, Inc.'s current contract with DMH. The purpose of the Amendment was to expedite and execute the assignment of the Community Care Center, Inc.'s contract with DMH to Broadwater Community Care Center, LLC. The Amendment allows the continuance of services to severely mentally ill clients in the Fifth Supervisorial District who require the services provided by an Institution for Mental Diseases (IMD) inpatient facility.

There is no increase in net County cost.

This action was reviewed and approved by both County Counsel and the Chief Executive Office.

If you have any questions or require further information, please let me know.

MJS:LW:RK:PP

Attachment

c: Chief Executive Officer
Executive Officer, Board of Supervisors
County Counsel
Contracts Development and Administration Division

"To Enrich Lives Through Effective And Caring Service"



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles
CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

July 29, 2008

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JUL 29 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

Dear Supervisors:

**DEPARTMENT OF MENTAL HEALTH: DELEGATE AUTHORITY TO EXECUTE
AMENDMENTS FOR CONTRACT ASSIGNMENTS, DELEGATIONS AND
CONTRACTORS' NAME CHANGES
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval to delegate authority to the Director of the Department of Mental Health, or his designee, to execute amendments for mergers, acquisitions or any other changes in ownership, upon the approval of County Counsel and the Chief Executive Office and notification to the Board.

IT IS RECOMMENDED THAT YOUR BOARD:

Delegate authority to the Director of Mental Health, or his designee, to execute amendments to the Department of Mental Health (DMH) contracts, substantially similar to Attachment I for contract assignments resulting from acquisitions, mergers, or other changes in ownership, and substantially similar to Attachment II for contractors' name changes, subject to review and approval by County Counsel and the Chief Executive Office and notification to the Board offices.

"To Enrich Lives Through Effective And Caring Service"

*Please Conserve Paper - This Document and Copies are Two-Sided
Intra-County Correspondence Sent Electronically Only*

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

In an effort to reduce Board agenda actions resulting from acquisitions, mergers, or other changes in ownership, or contractors' name changes, that do not impact the general contractual terms or payment provisions, the Department is seeking delegated authority to execute related amendments to reflect the correct legal entity and responsibilities of the parties when ownership changes occur, or acknowledge a contractor's name change, subject to review and approval by County Counsel and the Chief Executive Office and notification to the Board offices.

Implementation of Strategic Plan Goals

The recommended Board action supports County Strategic Plan Goal 3, Organizational Effectiveness. Having the Director, or his designee, execute these limited types of amendments will result in a more efficient and timely procedural response to changes in contractor names and business status.

FISCAL IMPACT/FINANCING

There is no fiscal impact as a result of this action.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Currently, all contract assignments resulting from mergers, acquisitions, or other changes in ownership and contractors' name changes amendments are presented as an agenda item for your Board's approval. Under the recommended action, DMH will use delegated authority to execute such amendments.

DMH will continue to conduct an analysis of mergers and acquisitions as required under the Evaluation of Vendors/Contractors Engaged in Mergers or Acquisitions Board policy to determine the appropriateness of continuing to contract with a vendor which has changed its corporate status or merged with or been acquired by another company.

County Counsel has approved Attachments I and II as to form.

Honorable Board of Supervisors
July 29, 2008
Page 3

IMPACT ON CURRENT SERVICE

Approval of the recommended action will expedite the Department's execution of these amendments to ensure clients experience no break in service due to Contractor's corporate transformation and ensure that contract documents reflect the appropriate contractor name and business status.

CONCLUSION

The Department of Mental Health requests one copy of the adopted Board actions. It is requested that the Executive Officer, Board of Supervisors, notify the Department of Mental Health, Contracts Development and Administration Division, at (213) 738-4684 when this document is available.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:SRH:SAS
MLM:JJS:yb

Attachments (2)

c: Executive Officer, Board of Supervisors
County Counsel
Director, Department of Mental Health

ATTACHMENT I

CONTRACT NO. _____

AMENDMENT NO. _

THIS AMENDMENT is made and entered into this ____ day of ____, 2008, by and between the COUNTY OF LOS ANGELES (hereafter "County") and _____ (hereafter "Contractor").

WHEREAS, County and Contractor have entered into a written Agreement, dated _____, identified as County Agreement No. _____, and any subsequent amendments (hereafter collectively "Agreement"); and

WHEREAS, County and Contractor intend to amend Agreement only as described hereunder; and

WHEREAS, Agreement paragraph ____, "DELEGATION AND ASSIGNMENT BY CONTRACTOR", prohibits Assignor from delegating its duties or assigning its rights thereunder without prior written consent of County; and

WHEREAS, it is the intent of the County and Contractor to delegate the duties and assign the rights under this Agreement, from Assignor, _____, to Assignee, _____; and

WHEREAS, Assignee _____, agrees to be fiscally responsible for obligations of the Assignor, _____, past, present, and future. In particular, and without in any way limiting the scope of the financial obligations assumed, Assignee, _____ understands and agrees: (1) that it will be entirely responsible for any and all audit exceptions applied as any time against the previous

entity, through any of its agreements with County or any Department thereof, whether assessed by Federal, State, or County audit(s).

NOW, THEREFORE, County and Contractor agree that Agreement shall be amended only as follows:

1. All rights and responsibilities under Agreement have been assigned and delegated by Assignor _____ to Assignee _____.
2. County hereby consents to such assignment and delegation.
3. Assignor and Assignee have heretofore separately prorated between themselves, to the extent necessary, any monthly payment due and paid under this Agreement prior to _____.
4. (For Mergers Only) Effective _____, the purpose of this Amendment shall be interpreted according to the following statement of purpose:
It is intended to effectuate and implement the merger of _____ and _____, as requested by these entities, whereby _____ will cease to exist as a separate entity and will merge within the new entity _____. County consents to the merger with the understanding, as set forth herein, that the quantity and quality of services previously provided separately by _____ will not be diminished and that the new entity will be fiscally responsible for all of _____ obligations, past, present, and future. In particular, and without any way limiting the scope of the financial obligations assumed, _____ understands and agrees (1) that it will be entirely responsible for any and all audit exceptions applied at any time against the

previous entity, _____, through any of its Agreements with the County or any Department thereof, whether assessed by Federal, State or County audit(s); and (2) that these audit exceptions may arise and become payable after the effective date of the merger and the cessation of existence of _____. The parties agree that all applicable review and dispute resolution procedures under the contract shall apply.

5. Contractor shall provide services in accordance with the Contractor's FY _____ Negotiation Package for this Agreement and any addenda thereto approved in writing by Director.
6. Except as provided in this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

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ATTACHMENT I

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by County's Director of Mental Health or his designee, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
MARVIN J. SOUTHARD, D.S.W.
Director of Mental Health

CONTRACTOR

By _____

Name _____

Title _____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM:
OFFICE OF THE COUNTY COUNSEL

APPROVED AS TO CONTRACT
ADMINISTRATION:

DEPARTMENT OF MENTAL HEALTH

By _____
Chief, Contracts Development
and Administration Division

- ATTACHMENT II

CONTRACT NO. _____

AMENDMENT NO. _____

THIS AMENDMENT is made and entered into this ____ day of ____, 2008, by and between the COUNTY OF LOS ANGELES (hereafter "County") and _____ (hereafter "Contractor").

WHEREAS, County and Contractor have entered into a written Agreement, dated _____, identified as County Agreement No. _____, and any subsequent amendments (hereafter collectively "Agreement"); and

WHEREAS, County and Contractor intend to amend Agreement only as described hereunder; and

WHEREAS, in Legal Entity/Consultant Services Agreement No. _____, dated _____ and any subsequent amendments (hereafter collectively "Agreement"); the Contractor is identified as and referred to by the name of _____.

WHEREAS, it is the intent of the County and Contractor to change the name of the Contractor from _____ to _____, in all further references to Legal Entity/Consultant Services Agreement No. _____, dated _____ the Contractor shall be known by and referred to as _____.

NOW, THEREFORE, County and Contractor agree that Agreement shall be amended only as follows:

1. All future correspondence and documents referencing Agreement No. _____, dated _____, shall refer to the Contractor as _____.
2. Contractor shall provide services in accordance with the Contractor's FY _____ Negotiation Package for this Agreement and any addenda thereto approved in writing by Director.
3. Except as provided in this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by County's Director of Mental Health or his designee, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
MARVIN J. SOUTHARD, D.S.W.
Director of Mental Health

CONTRACTOR

By _____

Name _____

Title _____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM:
OFFICE OF THE COUNTY COUNSEL

APPROVED AS TO CONTRACT
ADMINISTRATION:

DEPARTMENT OF MENTAL HEALTH

By _____
Chief, Contracts Development
and Administration Division